



San Diego County and Imperial County Schools Fringe Benefits Consortium

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October 22, 2021,

Paul Carelli, Fallen Leaf Lake CSD, and Board,

I am presenting to you, in writing, the FBC Deferred Compensation proposal for Fallen Leaf Lake CSD and Chief Gary Gerren's contract.

Implement FBC Deferred Compensation 457b with a match. I am suggesting that the Board approve 3% matching contributions with a cap of \$4,000 a year to the firefighters at Fallen Leaf Lake that have worked more than one year for the department. This means for a firefighter to qualify for the match, he or she must have worked one calendar year before they would be eligible for the match. A firefighter could still contribute to the 457b while employed for a season but would not qualify for the match unless they resume employment with the department the following year.

- Sample scenario for a firefighter who has worked for the department longer than one year:

Firefighter base salary \$65,000 per year, 3% of salary = \$1,950.00. This is the maximum amount Fallen Leaf Lake CSD would be obligated to pay into the 457(b) plan on behalf of the contributing firefighter. If the firefighter contributes 5% of his/her salary into the 457(b) plan, Fallen Leaf Lake is still only responsible for \$1,950 which = 3%.

This the proposal for Chief Gary Gerren, to be written into his employment contract as follows.

- Adopt FBC Deferred Compensation 401a program. Fallen Leaf Lake CSD to make maximum yearly contributions to the FBC 401a, which is currently at a maximum of \$58,000 per year, for five consecutive years on behalf of Gary Gerren per his employment contract. In addition, fully fund the maximum contribution into his 457b which is currently at \$26,000 per year, due to the age 50 and older catchup contribution per IRS rules. If IRS contribution limits increase during this five-year period for either 457b or 401a, so will Chief Gerren's contributions made on his behalf from Fallen Leaf Lake CSD.

The cost for setting up these plans through the FBC program:

There will be a one-time plan document setup fee from Empower, the recordkeeper, for each plan document. \$2,000 for the 457 document and \$2,000 for the 401a document, for a total of \$4,000 dollars.

The FBC commitment to Fallen Leaf Lake board,

1. Setup all programs for the fire department at no cost except for the document fee from Empower.

2. Enroll all firefighters into the 457b who wish to voluntarily make a contribution into the 457b.
3. FBC and Empower to be responsible for all contribution monitoring and compliance.
4. Every year in September hold an open enrollment meeting to explain the benefits for a firefighter to join the 457b program.
5. Expense for all of the above is paid by the FBC.

The cost for the 457b program that the FBC provides employees, and its investment options, are among the lowest compared to any other programs offered to fire departments and their employees. Fallen Leaf Lake CSD is getting the opportunity to contribute to a deferred compensation program that has been vetted for over 80,000 employees and enjoy the cost savings and pricing that has been negotiated. I have provided Paul Carelli a breakdown of the total cost that an employee pays for the investment options made available. Paul Carelli can share that with the Board.

Sincerely,

A handwritten signature in cursive script, reading "Daniel L. Puplava".

Daniel L. Puplava, CLU

Senior Program Manager, Deferred Compensation
Fringe Benefits Consortium
San Diego County Office of Education